

PS-PRSUNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
Parcel Select & Parcel Return Service Contracts 3  
(MC2012-13)  
Negotiated Service Agreement

Docket No. CP2012-22

PUBLIC REPRESENTATIVE COMMENTS ON  
POSTAL SERVICE AMENDMENT TO  
PARCEL SELECT AND PARCEL RETURN SERVICE CONTRACT 3

(October 29, 2014)

The Public Representative hereby provides comments pursuant to Order No. 2219.<sup>1</sup> In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Notice of an Amendment to Parcel Select and Parcel Return Service Contract 3.<sup>2</sup>

The Notice includes a redacted (public) version of the Amendment as Attachment A. As required by 39 C.F.R. § 3015.5, the Notice also includes a certified statement of compliance with 39 U.S.C. § 3633(a) as Attachment B, and supporting financial data. An unredacted (non-public) version of the Amendment and supporting financial data is filed under seal.

The Amendment changes the prices and terms of Parcel Select and Parcel Return Service (PS-PRS) Contract 3. In this regard, the Amendment establishes prices for certain Parcel Select Service destination sectional center facility (DSCF) 3-digit parcels. Notice, Attachment A, 1 and 2; Order No. 2219 at 2. The Amendment also

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<sup>1</sup> PRC Order No. 2219, Notice and Order Concerning Amendment to Parcel Select & Parcel Return Service Contract 3, October 22, 2014.

<sup>2</sup> Notice of United States Postal Service of Change in Prices Pursuant to Amendment to Parcel Select and Parcel Return Service Contract 3, October 20, 2014 (Notice).

includes new prices for Parcel Select Service destination delivery unit (DDU) parcels and Parcel Return Service parcels. Notice, Attachment A, at 2. The Amendment will become effective one day following the day Commission completes its review of this filing. Notice at 1.

The Commission previously approved the addition of Parcel Select and Parcel Return Service Contract 3, which features rates not “of general applicability,” to the competitive product list in Docket Nos. MC2012-15 and CP2012-22.<sup>3</sup> Parcel Select and Parcel Return Service Contract 3 is scheduled to expire on May 31, 2019, unless terminated earlier as specified by the contract.<sup>4</sup>

## COMMENTS

The Public Representative has reviewed the Amendment and the financial data filed under seal with the Postal Service’s Notice, as well as the original contract filed in Docket Nos. MC2012-15 and CP2012-22. Based upon that review, the Public Representative recommends Commission approval of PR-PRS Contract 3, as amended.

The financial data filed under seal indicates that the PS-PRS Contract 3 prices, as amended, will cover costs during the first year following the effective date of the amendment. By contrast, the certified statement of compliance states that the amended prices of PS-PRS Contract 3 comply with 39 U.S.C. § 3633(a).

As indicated above, the amended PS-PRS Contract 3 will remain in effect until May 31, 2019, unless terminated or that date is otherwise changed. The Postal Service provides no data to demonstrate that the amended PS-PRS Contract 3 will comply with 39 U.S.C. § 3633(a) during the contract term. This concern is somewhat mitigated by the fact that the amended contract includes a formula for periodic adjustments in contract prices. Of course, the Commission has the opportunity to review the financial

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<sup>3</sup> See PRC Order No. 1348, Order Adding Parcel Select and Parcel Return Service Contract 3 to the Competitive Product List, Docket Nos. MC2012-15 and CP2012-22, May 21, 2012.

<sup>4</sup> Request of the United States Postal Service to Add Parcel Select and Parcel Return Service Contract 3 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors’ Decision, Contract, and Supporting Data, Docket Nos. MC2012-15 and CP2012-22, May 4, 2012.

results of the amended contract for compliance with 39 U.S.C. § 3633(a) each year the contract it is in effect as part of the Annual Compliance Determination (ACD) report.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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